

EXECUTIVE SECRETARIAT

Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS		X		
5	DDI		X		
6	DDA		X		
7	DDO		X		
8	DDS&T		X		
9	Chm/NIC				
10	GC		X		
11	IG				
12	Compt		X		
13	D/EEO				
14	D/Pers				
15	D/OEA				
16	C/PAD/OEA				
17	SA/IA		X		
18	AO/DCI				
19	C/IPD/OIS				
20	NIO/LA		X		
21	D/LI		X		
22	D/PA		X		
SUSPENSE		Date			

Remarks:

23. NIO/PTT

X

File : DCS mtg.
S14 (FP) 16 July

Executive Secretary

16 July 83

Date

3637 (10-81)

25X1



Washington, D.C. 20520

July 16, 1983

Executive Registry

83-3585

MEMORANDUM TO MR. WILLIAM P. CLARK
THE WHITE HOUSE

SUBJECT: SIG Report on Central America

The attached report reflects the consensus reached
at the SIG (foreign policy) chaired by the Deputy
Secretary July 16, 1983.

Covey

Charles Hill
Executive Secretary

DCI
EXEC
REG

Drafted:

State: Craig Johnstone
DOD: Nestor Sanchez
NSC: Alfonso Sapia-Bosch
OSD/ISA: Dr. Ikle
J-5: Admiral Bagley

Cleared:

State: LAMotley
LSEagleburger
JCovey

~~SECRET/SENSITIVE~~

SIG REPORT ON CENTRAL AMERICA

In the July 12 NSC meeting on Central America the President posed two questions: 1) In return for endorsing the concept of a Bipartisan Commission on Central America, can we obtain congressional support for our short term funding requirements and sufficient freedom from legislative constraints to carry out our policy? and 2) What can we do now to deter the Cubans from further escalation of their involvement in Central America?

The Bipartisan Commission and Our Short Term Legislative Plan:

In our judgment it is not possible to exact a specific price from the Congress for our support for the bipartisan commission. We believe there is broad support for a commission but few members of Congress are prepared to offer commitments on resources as part of a "deal" in advance. But, if Commission membership is reasonably representative, we believe that, with the President's active participation, it will be possible to exploit the general goodwill and sense of bipartisanship which will flow from Administration support for the Commission to advance our short term legislative objectives including: 1) passage of the FY 83 supplemental; 2) approval of the remaining \$30 million reprogramming for El Salvador; 3) approval of our FY 84 program; 4) defeat or substantial modification of Boland-Zablocki; 5) elimination of the strings on assistance to El Salvador contained in the FY 84 legislation. A legislative action plan to achieve these objectives is being prepared. To reiterate, the President's participation will be crucial. In the meantime we will move ahead with formation of the commission and we will provide it with our views on the long term economic and security needs of the region. It is important that we take the lead to keep it under control.

Detering the Cubans

There is inter-agency agreement that consolidation of a Marxist-Leninist Sandinista regime would result in a fundamental deterioration of our Central American policy. For this reason it is essential that adequate US support for the democratic resistance forces within Nicaragua continue and that Cuban and Soviet bloc support for the Sandinistas be deterred. This requires creation of a credible threat of external paramilitary or military intervention against Cubans in Nicaragua or Cubans directly.

A range of military exercises and movements combined with other signals could help induce Castro to give up on his objective to help consolidate the Sandinista regime at this time. In addition, we should continue to induce the Soviets to make clear to Castro that they would not support him in an armed confrontation with the US.

~~SECRET/SENSITIVE~~

SECRET/SENSITIVE

-2-

Our initiatives must be integrated with the overall strategy that is selected and care must be taken to avoid actions which would undercut our policy objectives. There are three basic categories of measures which can be taken:

- (1) Measures that will serve to strengthen the confidence and capabilities of Honduras (and El Salvador) some of which can be carried out without Congressional funding beyond the levels now requested from Congress or already approved. (Ahuas Tara II, limited ship movements, and naval exercises.)
- (2) Measures that can be carried out with available DOD funding to induce Cuba to curb support for the Sandinistas.
- (3) Additional measures that would help greatly in strengthening Honduras and the Government of El Salvador would require additional funding from Congress.

We will move ahead with the first two categories now; implementation of the third category will depend on funding.

Public Affairs

In addition, we have approved an ambitious public affairs strategy which will flood the US with information and speakers on Central America and our policy. Our newly designated coordinator for Public Diplomacy, Otto Reich, will lead this effort.

Additional Measures

Much of what we would like to do, we can not do now because of Congressional and public opinion concerns. Timing is critical to our efforts and the Bipartisan Commission could play a crucial role. The Commission's report will be due December 1. At that time we may wish to take advantage of the report to seek additional short term (FY 84) resources (in addition to the longer term resources) for Central America and to take additional actions in the region.

We should also preserve the option to advise the Commission on the President's views regarding the interim short term (FY 84) requirements with the view toward possibly requesting such resources before December (depending on the Congressional climate and the situation in Central America).

SECRET/SENSITIVE